

// **SUBMISSION**



Term of Parliament (Enabling 4-year Term) Legislation Amendment Bill

// Local Government New Zealand's submission

// April 2025



Ko Tātou LGNZ.

LGNZ champions, connects and supports local government. We represent the national interests of councils. Our aim is for New Zealand to be the most active and inclusive local democracy in the world.

Key points

LGNZ supports a move to a four-year term for parliament, but wants to see local government also move to a four-year term. This bill should be amended to include both because:

- The benefits of a four-year term apply equally to local government;
- Our polling suggests the public would support local government's inclusion in any change;
- Local government supports a local government four-year term;
- There would be negative impacts if local and parliamentary elections are out of sync; and
- Implementing a four-year term for local government would be straight forward.

LGNZ also wants to see the proposed mechanism for achieving a parliamentary four-year term simplified to give voters greater certainty about the parliamentary term length prior to each election.

Our submission

Local government should be included in any move to a four-year term for Parliament

If Parliament moves to a four-year term, then local government should move to a four-year electoral term at the same time, and the bill should be amended to achieve this. We agree that such a significant constitutional change should be decided by electors through a referendum. The best approach would be for the proposed referendum to cover both parliament and local government in the same question. Alternatively, the local government term should at least be included as a separate question.

The same benefits of a four-year term apply equally to local government

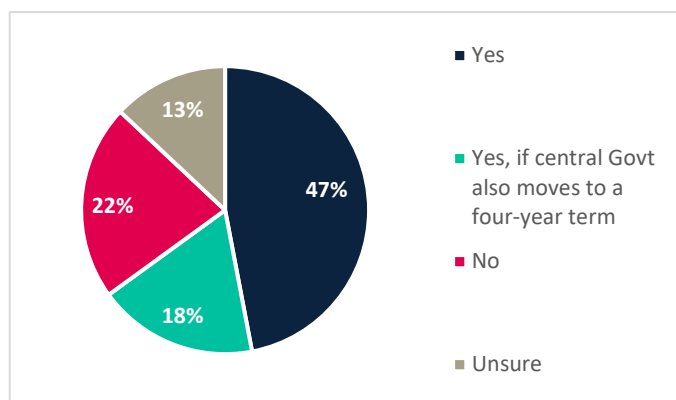
The arguments that a four-year term would increase productivity, and enable longer-term thinking and better-thought-through reform applies equally to local government. Local and central government are key partners in many key areas – from resource management to infrastructure delivery. Local government plays a key implementation role for many central government policies and priorities. Decision-making at the national and local level should be aligned as much as practicable.

If councils shift to a four-year term at the same time as Parliament, there will be direct benefits to councils and communities as well as benefits to central government via more efficient implementation council-delivered initiatives.

The public supports local government's inclusion in any change

LGNZ's public opinion polling demonstrates that the public are strongly supportive of local government having the same electoral term as parliament. Our poll, undertaken in August 2024,¹ found that 47% of respondents were in favour of the electoral term of councils being extended to four years.

This figure grew by an additional 18%, to 65%, if central government's electoral term was also increased to four years.



¹ A poll of 1000 respondents carried out by Curia Market Research in August 2024.

Local government also supports a local government four-year term

LGNZ has supported a four-year term for local government since 2020, when our AGM approved a remit proposing this change. LGNZ's commitment to a four-year term was also emphasised in our submission to the Future for Local Government Panel, and was included in the Panel's recommendations. When responding to the Panel's report, our members voted overwhelmingly to, in the short-term, work with central government to amend the Local Government Act to set the local government term at four years from the 2025 elections onwards.

Ensuring local and parliamentary elections stay in sync is important

With Parliament and councils both operating on three-year terms, the alignment of elections and key events between central and local government is consistent. This creates a level of certainty for councils when preparing plans and policies. For instance, councils' 10-year budget (the Long-term Plan) is developed after a new government is elected, which enables councils to take impacts or opportunities of that government's programme into account. Having different term lengths would lose the benefits of synchronisation and complicate the mutually dependent relationship between central and local government.

Different term lengths for parliament and local government would also mean elections occasionally occurring in the same year and at a similar time. This has potential downsides. There is evidence to suggest that when local and central government (or local and provincial) elections are held coterminously, voters pay more attention to the more "senior" election. This means important local issues may be overshadowed by national ones, making it more challenging for voters to make informed decisions in local elections.

Implementing a four-year term for local government would be straight forward

LGNZ's Electoral Reform Working Group (ERWG), chaired by Hon Dr Nick Smith, Mayor of Nelson City, has looked at how a four-year term for both Parliament and councils could be implemented.

In coming to a view, the Electoral Reform Working Group has undertaken wide-ranging engagement across local government and the public. Although the Group will be releasing its final position in July, it has recently set out its initial thinking in a draft position paper.

The draft position proposes that both Parliament and local government should move to a four-year term with elections spaced two years apart. This would give voters the expectation of an election every two years. It would give councils and Parliament time to develop and utilise good working relationships. This spacing would be easily achieved if the four-year terms applied to parliament from the next general election – and to councils from the 2028 local elections.

If local elections were to be held every four years, instead of every three, some processes and rules governing how local government operates would need to change. For example, key planning, accountability, and representation processes that are currently aligned to a three-year term: Long-term Plans, Regional Land Transport Plans, Regional Public Transport Plans, Governance Statements, Triennial Agreements, and Representation Reviews.

ERWG proposes a simple adjustment that would move the cadence of these key processes from a three-year cycle to a four-year cycle. This could be addressed in separate legislation, given a potential effective date of mid-October 2028 for local government.

ERWG also agrees that, since elections are a key accountability measure for local government, any shift to a four-year term should be accompanied by enhanced accountability measures for elected members. The work that the Government is carrying out on the Code of Conduct process and wider transparency frameworks is an opportunity to achieve this.

The proposed mechanism for achieving a parliamentary four-year term needs to be simplified and provide greater clarity

LGNZ supports a move to a four-year parliamentary term, particularly if it is matched with a four-year term for local government. However, we have significant concerns with the proposed bill's approach for the following reasons:

- The approach does not give voters certainty when they vote about the length of the Parliament's term. It also means that political parties won't know the length of the upcoming term and so will be unable to express their objectives while in government with certainty. The bill does not support electors to make an informed choice, and that uncertainty may negatively impact voter behaviour.
- The potential of term length to being either three or four years creates the challenges identified earlier, especially the risk that local and parliamentary terms will be "out of sync", meaning key events would not optimally align. This will have real impact, given how much of central government's programme relies on local government delivery.
- The bill's approach also means that the referendum question is confusing and would require detailed explanation to voters. It would be more useful, and a better indication of real support, if the public were asked directly if they supported a four-year term.

Rather than the mechanism proposed in the bill, we support a change to the wording that makes it clear that the bill, if approved by the referendum, will result in a four-year term, including a four-year term for local government. We agree that there should be enhanced accountability mechanisms for central government and urge the select committee to investigate less-complex mechanisms to achieve this outcome.